

From: "John Orth" <jorth@datafinancial.com> on 03/11/2004 06:51:00 PM
Subject: Availability of Funds and Collection of Checks

Gentlemen:

We have followed the CTA and Check 21 legislation since it was first introduced in October, 2001, and have given many orientation lectures to the Financial Industry on the impact of the Check 21 Law.

The one thing that the bankers always ask is "Why does the ODFI have to bear the cost of the IRD or substitute check when the paying bank and its customer is the party that is mandating or demanding the IRD. This opinion is unanimous among all of the bankers and credit union managers we have spoken with since the bill was signed into law on Oct 28, 2004.

Therefore our comment is to request to take the necessary steps to transfer the economic cost of creating an IRD onto the responsible Paying bank, not the bank of first deposit as it exists now. This simple change will go a long ways to accomplish the goals of facilitating the electronic exchange of checks vrs paper checks.

Regards,

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